

JOHN N. HUGHES  
*Attorney at Law*  
124 WEST TODD STREET  
FRANKFORT, KENTUCKY 40601

(502) 227-7270  
February 18, 2004

**RECEIVED**

FEB 18 2004

**PUBLIC SERVICE  
COMMISSION**

Mr. Thomas M. Dorman  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

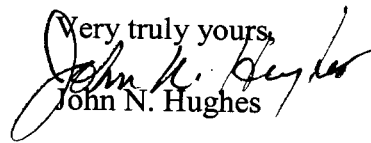
Re: Case 2003-00224

Dear Mr. Dorman:

Please file the attached responses to the Staff's questions raised at the hearing in this matter:

1. Bond refinancing schedules with annual savings, current interest rates and projected debt service;
2. Updated sub district schedule with current surcharge rates;
3. Current construction status of all sub districts;
4. SCADA Phase II bid tabulations, engineer's recommendation and Plans and Specifications (two copies of plans and specifications);
5. Updated employee benefits schedule;
6. Updated rate case expense;
7. Schedule of updated test year adjustments (CD and paper copies);

I believe that this is a complete response to the requests. If any information was requested that is not included, please let me know so that it can be provided. A copy of the response has been served on the Attorney General.

Very truly yours,  
  
John N. Hughes

Attorney for Northern Kentucky  
Water District

Attachments

ITEM 1

R S A

ROSS, SINCLAIRE  
& ASSOCIATES

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Frankfort, KY  
40601

502/695-7353  
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February 10, 2004

**VIA U.S. MAIL**

Jack Hughes  
124 West Todd Street  
Frankfort, KY 40601

INVESTMENT  
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ADVISORY

PUBLIC  
FINANCE

BROKERAGE  
SERVICES

**RE: Northern Kentucky Water District - PSC Case #2003-0224**

Dear Jack:

This information is being provided to you in response to the additional information that was requested of me by the Kentucky Public Service Commission and the Attorney General's Office in connection with the case captioned above. Would you please see that this information is provided to the appropriate persons at both of those offices?

Enclosed herewith, I have included a schedule that shows the savings that resulted from refinancing the 1993, 1995A and 1995B Series of Bonds. This was accomplished by issuing Refunding Bonds that were sold on November 18, 2003 and were captioned as the Series 2003C Bonds. As you can see, there was a total of approximately \$1,439,000 in savings, representing a present value savings of \$1,052,000 and a net present value savings of 4.94%.

It was also asked of me to provide an updated schedule reflecting more current rates and which would include a schedule showing the projected total Bond debt service following the sale and delivery of the Case #2003-0224 Bonds and the principal amount outstanding each fiscal year following the delivery of said Bonds. This is included herewith as an enclosure which consists of six pages.

If you have any questions concerning the above or the enclosures, please feel free to contact me.

Yours truly,

  
Terrell Ross

TR\klr  
Enclosures

cc: Ron Barrow

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ROSS, SINCLAIRE & ASSOCIATES, INC.

SIPC

NASD